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Attorneys for Lehman Brothers Holdings Inc.
and Certain of Its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**
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**NOTICE OF HEARING ON THE PLAN ADMINISTRATOR'S
OBJECTION TO PROOFS OF CLAIM NUMBER 21730 AND 21741**

PLEASE TAKE NOTICE that on August 3, 2015, Lehman Brothers Holdings Inc. ("**LBHI**" and the "**Plan Administrator**"), as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "**Plan**"), filed its objection to proofs of claim number 21730 and 21741 filed by Cascade Investment L.L.C. (the "**Objection**"), and that a hearing (the "**Hearing**") to consider the Objection will be held before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in Courtroom 623 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, on **September 9, 2015 at 10:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses to the Objection must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court (a) electronically in

accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's filing system, and (b) by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at www.nysb.uscourts.gov), and served in accordance with General Order M-399, and on (i) the chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York 10004, Courtroom 623; (ii) attorneys for LBHI, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Garrett A. Fail, Esq. and Katherine Doorley, Esq.); and (iii) the Office of the United States Trustee for Region 2, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: William K. Harrington, Esq., Susan Golden, Esq., and Andrea B. Schwartz, Esq.), so as to be so filed and received by no later than **September 3, 2015 at 4:00 p.m. (Eastern Time)** (the "Response Deadline").

PLEASE TAKE FURTHER NOTICE that if no responses are timely filed and served with respect to the Objection, the Plan Administrator may, on or after the Response Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Objection, which order may be entered with no further notice or opportunity to be heard offered to any party.

Dated: August 3, 2014
New York, New York

/s/ Garrett A. Fail
Garrett A. Fail

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PLAN ADMINISTRATOR'S OBJECTION TO CLAIM NUMBERS 21730 AND 21741

TO THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE:

Lehman Brothers Holdings Inc. ("LBHI" and the "Plan Administrator"), as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan") for the entities in the above-referenced chapter 11 cases (together, the "Chapter 11 Estates"), respectfully represents:

Relief Requested

1. Cascade Investment L.L.C. ("Cascade") filed proofs of claim number 21730 and 21741 (the "Cascade Claims") against LBHI and Lehman Brothers Special Financing Inc. ("LBSF"), respectively. The Cascade Claims remain Disputed (as such term is used under the Plan).
2. The Plan Administrator has examined the Cascade Claims and has determined that the Cascade Claims should be revalued and allowed to the extent set forth on

Exhibit A annexed hereto. Cascade and the Chapter 11 Estates have negotiated a settlement of disputes related to the Cascade Claims. The Plan Administrator, therefore, requests that the Court revalue the Cascade Claims to reflect the amount listed under the column heading “*Modified Amount.*” The Plan Administrator further requests that the Court allow the Cascade Claims only to the extent of such Modified Amount.

Jurisdiction

3. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

Background

4. Commencing on September 15, 2008, and periodically thereafter, LBHI and certain of its subsidiaries commenced with this Court voluntary cases under chapter 11 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b).

5. On July 11, 2011, the Plan Administrator filed its one hundred sixty-second omnibus objection to claims (the “One Hundred Sixty-Second Omnibus Objection”) objecting to the Cascade Claims. The hearing on the One Hundred Sixty-Second Omnibus Objection was adjourned *sine die* as to the Cascade Claims on March 20, 2013. The Plan Administrator withdrew the One Hundred Sixty-Second Omnibus Objection as to the Cascade Claims prior to filing this Objection.

6. On December 6, 2011, the Court approved and entered an order confirming the Plan. The Plan became effective on March 6, 2012.

7. Pursuant to the Plan, the Plan Administrator is authorized to interpose and prosecute objections to claims filed against the Chapter 11 Estates.

The Settled Derivatives Claims Should Be Revalued and Allowed

8. A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). If an objection refuting at least one of the claim’s essential allegations is asserted, the claimant has the burden to demonstrate the validity of the claim. *See In re Oneida Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009); *In re Adelphia Commc’ns Corp.*, No. 02-41729 (REG), 2007 Bankr. LEXIS 660, at *15 (Bankr. S.D.N.Y. Feb. 20, 2007); *In re Rockefeller Ctr. Props.*, 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000).

9. Cascade has agreed to the amounts reflected under the column heading “*Modified Amount.*” Accordingly, in order to properly reflect the agreement with respect to the amount of the Cascade Claims, the Plan Administrator requests that the Court reduce and allow the Cascade Claims to reflect the amounts listed under the column heading “*Modified Amount.*”

10. The Chapter 11 Estates have negotiated a settlement with Cascade for total claim amounts less than that reflected in the Cascade Claims.

11. The Plan Administrator also requests that the Court determine that Cascade, which holds a claim (i) against LBSF based on a derivatives contract and (ii) against LBHI based on its guarantee relating to that derivatives contract may not receive an aggregate recovery in respect of the Cascade Claims that is greater than the applicable “*Modified Amount.*” Furthermore, the Plan Administrator requests a determination that the Cascade Claims represent the sole right of Cascade to any distributions from the applicable Chapter 11 Estate under, in respect of, or related to the applicable derivatives contract.

Notice

12. No trustee has been appointed in these chapter 11 cases. Notice of this Objection has been provided to (i) the United States Trustee for Region 2; (ii) the Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) the United States Attorney for the

Southern District of New York; (v) Cascade; and (vi) all other parties entitled to notice in accordance with the procedures set forth in the second amended order entered on June 17, 2010, governing case management and administrative procedures for these cases [ECF No. 9635]. The Plan Administrator submits that no other or further notice need be provided.

13. Other than the One Hundred Sixty-Second Omnibus Objection, no previous request for the relief sought herein has been made by the Plan Administrator or the Chapter 11 Estates to this or any other Court.

WHEREFORE the Plan Administrator respectfully requests that the Court grant the relief requested herein and such other and further relief as is just.

Dated: August 3, 2015
New York, New York

/s/ Garrett A. Fail
Garrett A. Fail

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Exhibit A

EXHIBIT A: VALUED DERIVATIVE CLAIMS

NAME	CLAIM #	FILED DATE	ASSERTED DEBTOR	MODIFIED DEBTOR	AMOUNTS				
					ADMINIS- TRATIVE	SECURED	PRIORITY	UNSECURED	TOTAL
1 CASCADE INVESTMENT, L.L.C.	21730	9/21/09	Lehman Brothers Holdings Inc.	Lehman Brothers Holdings Inc.					
			AMOUNT SUBJECT TO OBJECTION					\$11,708,287.49	\$11,708,287.49
			MODIFIED AMOUNT					\$11,620,000.00	\$11,620,000.00
2 CASCADE INVESTMENT, L.L.C.	21741	9/21/09	Lehman Brothers Special Financing Inc.	Lehman Brothers Special Financing Inc.					
			AMOUNT SUBJECT TO OBJECTION					\$11,708,287.49	\$11,708,287.49
			MODIFIED AMOUNT					\$11,620,000.00	\$11,620,000.00
			TOTAL AMOUNT SUBJECT TO OBJECTION					\$23,416,574.98	\$23,416,574.98
			TOTAL MODIFIED AMOUNT					\$23,240,000.00	\$23,240,000.00

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Debtors. : **(Jointly Administered)**
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**ORDER GRANTING THE PLAN ADMINISTRATOR'S OBJECTION
TO CLAIM NUMBERS 21730 AND 21741**

Upon the objection to claim numbers 21730 and 21741 filed by Cascade Investment L.L.C. ("Cascade"), dated August 3, 2015 (the "Objection"),¹ of Lehman Brothers Holdings Inc. ("LBHI" and the "Plan Administrator"), as Plan Administrator under the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors (the "Plan") for the entities in the above-referenced chapter 11 cases (together, the "Chapter 11 Estates"), seeking to revalue and allow claim numbers 21730 and 21741 on the grounds that the Chapter 11 Estates and Cascade have agreed upon a claim amount that is not currently reflected on Cascade's proofs of claim, all as more fully described in the Objection; and due and proper notice of the Objection having been provided to (i) the United States Trustee for Region 2; (ii) the Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) the United States Attorney for the Southern District of New York; (v) Cascade; and (vi) all other parties entitled to notice in accordance with the procedures set forth in the second amended order entered on June 17, 2010 governing case management and administrative procedures for these cases [ECF No. 9635]; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Objection is in the best

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Objection.

interests of the Chapter 11 Estates, their creditors, and all parties in interest and that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the relief requested in the Objection is granted; and it is further

ORDERED that Cascade Claims are hereby reduced and allowed in the amount that is set forth on Exhibit 1 under the column heading “*Modified Amount*”; *provided that*, Cascade may not receive an aggregate recovery from LBHI and Lehman Brothers Special Financing, Inc. in respect of the Cascade Claims that is greater than the “*Modified Amount*”; and it is further

ORDERED that (i) the “*Modified Amount*” sets forth the total amount due to Cascade under, in respect of, or related to the applicable derivatives contract and (ii) the Cascade Claims shall represent the sole right of Cascade to any distributions from the applicable Chapter 11 Estate under, in respect of, or related to the applicable derivatives contract; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: _____, 2015
New York, New York

UNITED STATES BANKRUPTCY JUDGE